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SUBJECT: TENSIONS ON THAI-BURMA FRONTIER LEAD TO BORDER CLOSINGS

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REASON: 1.4 (d)

¶1. (C) SUMMARY. Tensions have increased along the Thai-Burma border over the past few weeks, leading to the closure of most border crossings. Likely causes for the tensions include a renewed Burma Army offensive in the Karen State and a handful of altercations involving military and police forces of the two governments and various Karen groups. Despite the tough stance of both governments, the major crossing point at Mae Sai-Tachilek remains open along with a few smaller border posts. End Summary.

¶2. (U) Border crossings in Mae Hong Son, Tak, and Kanchanaburi provinces have closed in the past week following a series of clashes along the border. While unofficial trade still flows in some areas, many bridges and roads remain shuttered in these three provinces. The accumulation of issues that led to these closings is preventing an easy solution that satisfies will reopen cross-border trade across the 1,800 km-long border. Those attempting to move substantial amounts of goods between the two countries must head north to the Mae Sai-Tachilek crossing in Chiang Rai province or south to the Ranong-Kawthaung crossing near the Andaman Sea.

AN UNFORTUNATE SERIES OF EVENTS~

¶3. (U) The unusually high tensions began with clashes between the Karen National Union (KNU) and Democratic Karen Buddhist Army (DKBA) in early March that set both governments on alert. Shortly thereafter, the DKBA captured two Thai border police officers in Kanchanaburi in retaliation for supposed Royal Thai Army (RTA) assistance to KNU forces or interference in the DKBA's drug trafficking activities. The RTG closed the nearby Three Pagodas Pass crossing in protest of the action.

¶4. (C) Thailand's Council for National Security leaders opened a dialogue with Burma's State Peace and Development Council (SPDC) in Rangoon to win the release of the Thai officers. However, local negotiations between Thai border officials and the DKBA proved more effective, a Mae Sot district officer told ConGen staff. Although the DKBA released the border patrol officers on March 26, tensions failed to dissipate, as sources say the SPDC took offense to the Thais negotiating separately with the DKBA. The SPDC then closed the Myawaddy-Mae Sot crossing, which one Thai business leader estimates sees more than \$1 million/day in trade.

¶5. (C) Separately, an RTA paramilitary ranger was killed on March 21 while on a border patrol in Mae Hong Son from a Burma Army grenade. Media reports say the Burmese mistook the RTA unit for a Karen rebel group. Unsatisfied with Burma's response,

Thai officials closed another border crossing in Mae Hong Son Province. The closure there also coincided with an apparent increase in Internally Displaced Persons (IDPs) fleeing SPDC advances in Karen State, aggravating long-standing RTG fears that more refugees will cross the border. Many of the Karen, Karenni, and Chin IDPs have reached the Ei Tu Hta camp on the Salween River across from Thai territory in recent weeks, increasing that camp's population to more than 3,000 according to several sources.

¶ 6. (C) Tensions have remained high for more than three weeks, report sources in the Thai National Intelligence Agency (NIA) and local officials. Military units from both governments have fortified their border positions and taken stronger measures to deter the other side's patrols from crossing the border, stretches of which remain disputed. The NIA's chief in Mae Hong Son's Mae Sariang district said the RTG ordered even the small border crossings to close on March 30, citing pressure from the RTA's 7th Infantry Regiment, the unit that operates in the border area, to take a stronger stance in response to the RTA ranger's death. Mae Sot-based sources also report increased detentions of illegal Burmese workers in Thailand.

¶ 7. (C) Meanwhile, increased fighting in Shan State threatens to spread the border tensions farther north. ConGen sources and local media report increased BA activity positioned against Karenni and Shan resistance groups, especially in the area near the Mae Sai-Tachilek crossing.

STILL PLENTY OF UNOFFICIAL BORDER TRADE AND CROSSINGS

¶ 8. (C) Despite the rigid posture of both governments, people and goods are still moving through the Mae Sai border point as well at other locations. Although the SPDC closed the Friendship Bridge linking Myawaddy with Mae Sot, the current low level of the Moei River makes it easy to walk across. Nearby, DKBA-run piers still send and receive small cargo boats, ironic given that part of the reported motivation behind the SPDC's closure

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of the crossing was to punish the DKBA for freeing the Thai border police officers before Rangoon had concluded its talks with the RTG.

¶ 9. (C) The RTG's original tough stance closing the Mae Hong Son crossings has also been softened after the fact, with some limited trade allowed to slip past the checkpoints. Several sources have told ConGen staff they suspect Bangkok-based military leaders benefit financially from logging imports.

COMMENT: NOT THE NEW DIRECTION ANYONE WOULD PREFER

¶ 10. (C) Spats between Thailand and Burma, as well as armed clashes involving various ethnic groups, are old news in these border areas. However, the closing of so many border crossings for this long is unusual. In the past, verbal sparring between Thailand and Burma over border security, illegal migrants, and resistance groups has quickly run its course, with both sides preferring to enjoy the benefits of lucrative cross-border trade (both legal and off-the-books) rather than get bogged down in long-running intractable problems. Recent events on the border, possibly aggravated by political tensions in Bangkok, have rattled the Thais, resulting in mixed signals to military units and government officials on the border. Six months ago, activists and officials on the border expressed hope that the new Surayud government would leave behind former Prime Minister Thaksin's business interests-coddling approach and take Thailand's Burma policy in a new direction. This recent series of unresolved quarrels is hardly what they had in mind. End Comment.

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